

FOR IMMEDIATE RELEASE

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JOINT CORPORATION ANNOUNCES RESULTS OF OPERATIONS
FISCAL YEAR ENDED MARCH 31, 2006

Tokyo, Japan – [May 17, 2006] – Joint Corporation (“Joint”) (TSE: 8874), today announces the results of its operations for the fiscal year ended March 31, 2006. The results are unaudited and prepared in accordance with Japanese GAAP.

Consolidated Financial Highlights for the Fiscal Year Ended March 31, 2006 ↓

(¥ million, except EPS)	March 31, 2006	March 31, 2005	Y o Y change (%)
Revenue	136,720	96,470	41.7
Operating Income	16,072	9,372	71.5
Ordinary Income	13,009	7,536	72.6
Net Income	11,928	4,174	185.8
EPS	294.86	221.76	33.0

Consolidated Financial Position

(¥ million)	March 31, 2006	March 31, 2005
Total Assets	217,625	182,840
Shareholders' equity	61,584	33,670
Shareholders' equity ratio (%)	28.3	18.4
Shareholders' equity per share (¥)	1,408.92	1,807.69

Consolidated Cash Flows Position

(¥ million)	March 31, 2006	March 31, 2005
Cash flows from operating activities	18,851	48,329
Cash flows from investing activities	2,698	955
Cash flows from financing activities	21,799	43,497
Cash and cash equivalents	31,995	31,747

The statements included above and elsewhere in this news release that are not historical in nature are “forward-looking statements”. Joint Corporation cautions readers that forward-looking statements are based on the Company’s current expectations and involve a number of risks and uncertainties. Actual results may differ materially from those contained in such forward-looking statements.

Segment Information

(¥ million)	Revenue	Operating Income
Real Estate (Condominium) Development	63,782	5,027
Real Estate Securitization	59,842	10,705
Leasing	7,666	870
Property Management	4,457	100
Others	4,202	254
Adjustment	3,230	886
Total	136,720	16,072

Financial Forecasts for Year ending March 31, 2007

(¥ million except EPS)	
Revenue	160,000
Ordinary Income	16,500
Net Income	9,400
EPS	215.46

About Joint

Joint Corporation (“Joint”) has three businesses; real estate (condominium) development, real estate securitization and other (combining “leasing”, “property management” and “other”) business. Founded in 1986, Joint has provided over 15,000 units of condominiums by focusing on central and southern area of Tokyo. Since 2001, Joint had started to provide residential and commercial properties to REITs and real estate investors. Joint was listed on the Japanese OTC market (JASDAQ) in 1998 and has been traded on the Tokyo Stock Exchange (TSE) first section since 2001 under ticker 8874.

Corporate Headquarter

2-10-11 Meguro, Meguro-ku, Tokyo, Japan 153-0063

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Consolidated Balance Sheets for the Year Ended March 31, 2006

(¥ million, %)

(Assets)	March 31, 2005			March 31, 2006			Y on Y change
			%			%	
Current assets							
1 Cash and time deposits		31,759			32,730		
2 Trade accounts receivable		1,129			1,406		
3 Inventories		123,344			156,727		
4 Investments for real estate held for sale		7,817			2,300		
5 Advance paid for purchases		1,647			3,201		
6 Deferred income taxes		422			1,015		
7 Other current assets		7,010			7,923		
Allowance for doubtful accounts		138			96		
Total current assets		172,993	94.6		205,209	94.3	32,215
Fixed assets							
1 Tangible fixed assets							
(1) Buildings and structures	2,595			2,600			
Depreciation and amortization	535	2,059		620	1,980		
(2) Land		2,773			2,539		
(3) Other	578			600			
Depreciation and amortization	344	234		325	274		
Total tangible fixed assets		5,067	2.8		4,794	2.2	273
2 Intangible fixed assets							
(1) Consolidation adjustment		240			188		
(2) Other		275			346		
Total intangible fixed assets		515	0.3		535	0.2	19
3 Investments and other assets							
(1) Marketable securities		1,312			4,188		
(2) Long-term loan		364			284		
(3) Deferred income taxes		270			162		
(4) Other investments		2,347			2,483		
Allowance for doubtful accounts		32			32		
Total Investments and other assets		4,262	2.3		7,086	3.3	2,824
Total fixed assets		9,846	5.4		12,416	5.7	2,570
Total assets		182,840	100.0		217,625	100.0	34,785

(¥ million, %)

	March 31, 2005			March 31, 2006			Y on Y change
(Liabilities)			%			%	
Current liabilities							
1 Trade accounts payable		16,321			16,676		
2 Short-term bank loans		29,376			46,476		
3 Bond due within one year		1,605			9,325		
4 Income taxes payable		2,310			7,732		
5 Advances and deposits received		2,836			4,613		
6 Accrued expenses		201			228		
7 Other current liabilities		5,410			5,315		
Total current liabilities		58,061	31.7		90,367	41.5	32,306
Long-term liabilities							
1 Bond		15,914			9,630		
2 Long-term debt due after one year		47,977			46,359		
3 Retirement benefits		182			116		
4 Directors' retirement benefits		41			-		
5 Reorganization claims payable		24,711			-		
6 Long-term claims payable		-			4,391		
7 Other long-term liabilities		1,648			4,132		
Total long-term liabilities		90,476	49.5		64,630	29.7	25,846
Total liabilities		148,538	81.2		154,998	71.2	6,459
(Minority interests in consolidated subsidiaries)							
Minority interests in consolidated subsidiaries		631	0.4		1,043	0.5	412
(Shareholders' equity)							
Common stock		7,672	4.2		15,800	7.3	8,127
Capital surplus		7,555	4.1		15,687	7.2	8,132
Retained earnings		18,823	10.3		30,230	13.9	11,406
Net unrealized gains on other securities		0	0.0		28	0.0	28
Foreign currency translation adjustments		1	0.0		-	-	1
Treasury stock		381	0.2		105	0.1	276
Total shareholders' equity		33,670	18.4		61,584	28.3	27,913
Total liabilities and shareholders' equity		182,840	100.0		217,625	100.0	34,785

Consolidated Statements of Income for the Year Ended March 31, 2006

(¥ million, %)

	March 31, 2005			March 31, 2006			Y on Y Change
			%			%	
Net sales		96,470	100.0		136,720	100.0	40,249
Cost of sales		76,789	79.6		107,741	78.8	30,951
Gross Income		19,680	20.4		28,978	21.2	9,298
Selling, general and administrative expenses							
1 Advertisement	3,268			3,919			
2 Directors' bonus	362			431			
3 Compensation	2,610			3,430			
4 Accrued expenses	133			96			
5 Retirement benefits	54			81			
6 Directors' retirement benefits	11			-			
7 Tax	568			852			
8 Depreciation and amortization	205			199			
9 Allowance for doubtful accounts	69			-			
10 Others	3,023	10,308	10.7	3,893	12,906	9.4	2,597
Operating income		9,372	9.7		16,072	11.8	6,700
Non-operating income							
1 Interest income	65			17			
2 Dividend income	11			16			
3 Gains from recovery of written-off receivables	176			13			
4 Gains on valuation of interest rate swap contracts	22			55			
5 Gains on repayment of long-term claims payable	-			61			
6 Others	185	462	0.5	62	225	0.1	236
Non-operating expenses							
1 Interest expenses	1,606			2,080			
2 Fee expenses	416			846			
3 Participation in loss at investment	15			37			
4 Others	260	2,297	2.4	323	3,288	2.4	990
Ordinary income		7,536	7.8		13,009	9.5	5,473

(¥ million, %)

	March 31, 2005			March 31, 2006			Y on Y Change
Extraordinary gains							
1 Gains on sale of marketable securities	4			-			
2 Gains on repayment of reorganization claims payable	-			8,121			
3 Gains on sales of fixed assets	10			209			
4 Others	-	15	0.0	36	8,367	6.1	8,352
Extraordinary losses							
1 Loss on disposal of fixed assets	5			16			
2 Loss on sale of subsidiaries' stock	-			4			
3 Write-down from consolidation adjustment	32			-			
4 Write-down of goodwill	134			-			
5 Realized loss on marketable securities	-	172	0.2	7	28	0.0	143
Income before income taxes and others		7,380	7.6		21,348	15.6	13,968
Corporate income, residential and enterprise taxes	2,712			9,535			
Adjustment for income taxes	372	3,085	3.2	533	9,002	6.6	5,917
Minority interests		120	0.1		417	0.3	297
Net income		4,174	4.3		11,928	8.7	7,754

Consolidated Statement of Capital Surplus / Retained Earnings for the Year Ended March 31, 2006

(¥ million)

	March 31, 2005		March 31, 2006		Y on Y Change
(Capital surplus)					
Capital surplus at beginning of year					
Capital surplus at beginning of year	7,447		7,555		107
Net increase in capital surplus					
1 Issuance of new stocks	-		8,122		
2 Gains on sale of treasury stocks	107	107	9	8,132	8,025
Capital surplus at year-end	7,555		15,687		8,132
(Retained earnings)					
Retained earnings at beginning of year					
Retained earnings at beginning of year	15,174		18,823		3,648
Net increase in retained earnings					
1 Net income	4,174		11,928		
2 Net increase in retained earnings due to decrease in consolidated subsidiaries	-	4,174	4	11,933	7,759
Net decrease in retained earnings					
1 Dividends	462		467		
2 Directors' bonus	40		59		
3 Net decrease in retained earnings due to increase in consolidated subsidiaries	21	523	-	526	3
Retained earnings at year-end	18,823		30,230		11,406

Consolidated Statements of Cash Flows for the Year Ended March 31, 2006

(¥ million)

	March 31, 2005	March 31, 2006	Y on Y change
Cash flows from operating activities			
Income before income taxes	7,380	21,348	13,968
Depreciation and amortization	258	261	3
Gains on repayment of reorganization claims payable	-	8,121	8,121
Write-down from consolidation adjustment	179	120	59
Write-down of goodwill	220	18	202
Increase in allowance for doubtful accounts	55	40	95
Increase in accrued expenses	24	32	56
Increase in retirement benefits	12	66	54
Increase in directors' retirement benefits	159	41	118
Interest and dividend income	76	33	43
Interest expenses	1,606	2,080	474
Loss on disposal of fixed assets	5	16	11
Gains on sales of fixed assets	10	209	199
Increase in account receivables	203	276	479
Increase in inventories	46,376	33,456	12,920
Increase in investments for real estate held for sale	5,013	5,516	10,529
Increase in trade notes and accounts payable	1,834	424	2,258
Increase in advances paid for purchases	1,174	1,553	379
Increase in advances and deposits receipt	514	1,776	2,290
Increase in sales taxes payable	17	407	424
Increase in deposits	194	74	268
Increase in directors' bonus	40	59	19
Increase in other current assets	175	1,502	1,327
Increase in other fixed assets	180	302	482
Increase in other current liabilities	974	417	1,391
Increase in other long-term liabilities	81	1,471	1,390
Total	44,090	12,681	31,409
Interest and dividends received	56	66	10
Interest paid	2,099	2,122	23
Income taxes paid	2,196	4,113	1,917
Net cash provided by (used in) operating activities	48,329	18,851	29,478

(¥ million)

	March 31, 2005	March 31, 2006	Y on Y change
Cash flows from investing activities			
Payments for purchase of marketable securities	3	2,858	2,855
Proceeds from sale of marketable securities	45	25	20
Payments for purchase of tangible fixed assets	551	354	197
Proceeds from disposal of tangible fixed assets	456	599	143
Payments for acquisition of intangible fixed assets	60	167	107
Proceeds from return of investments	234	81	153
Payments for investments	10	0	9
Proceeds from sale of subsidiaries' stocks	-	0	0
Payments for making loans	1,851	2,577	726
Proceeds from loan repayment	797	3,271	2,474
Payments for making time deposits	12	723	711
Increase in other investment	-	6	6
Net cash provided by (used in) investing activities	955	2,698	1,743
Cash flows from financing activities			
Proceeds from short-term loans	39,321	36,027	3,294
Repayment of short-term loans	32,416	37,068	4,652
Proceeds from long-term debt	53,305	61,736	8,431
Repayment of long-term debt	26,645	45,214	18,569
Increase in reorganization claims payable	2,482	11,185	8,703
Proceeds from issuance of new stocks	-	16,250	16,250
Proceeds from issuance of bond	15,200	3,755	11,445
Payment for redemption of bond	2,505	2,319	186
Proceeds from sale of treasury stocks	274	293	19
Payment for acquisition of treasury stocks	221	7	214
Cash dividend paid	462	464	2
Dividend payment for minority shareholders	-	4	4
Dividend received from minority shareholders	131	-	131
Net cash provided by (used in) financing activities	43,497	21,799	21,698
Effect of exchange rate change on cash and cash equivalents	0	-	0
Net increase in cash and cash equivalents	5,786	249	6,035
Effects of consolidation change on cash and cash equivalents	8	-	8
Effects of consolidation exclusion on cash and cash equivalents	-	1	1
Cash and cash equivalents at beginning of year	37,525	31,747	5,778
Cash and cash equivalents at year-end	31,747	31,995	248